

P. O. BOX 2219

# ZIA ENERGY, INC.

HOBBS, NEW MEXICO 88241

OIL CONSERVATION DIVISION  
RECEIVED

APR 24 1991

PHONE (505) 393-2937

April 18, 1991

New Mexico Oil Conservation Division  
P. O. Box 2088  
Santa Fe, New Mexico 87504

Attention: Mr. David R. Catanach  
Engineer

Re: Request for Administrative Approval  
For Downhole Commingling-Rule 303-C  
For the Zia Energy, Inc.  
Simmons No. 1-G Sec. 5, T22S, R37E  
Lea County, New Mexico

Gentlemen:

Zia Energy, Inc. requests administrative approval to downhole commingle production from the above described well for the Blinebry, Tubbs and Drinkard formations. The commingled production will be stored in our surface facility located on the lease.

The following information is supplied as requested by OCD Rule 303-C (Downhole Commingling).

303-C(1)(a)(i), the total combined production of oil from all zones is less than the limit for the 6,000 feet to 6,999 feet depth, which is 40 barrels of oil per day.

303-C(1)(a)(ii), all zones will require artificial lift and a conventional pumping unit with sucker rods and pump will be installed.

303-C(1)(a)(iii), none of the zones will produce water in excess of 40 barrels per day.

303-C(1)(a)(iv), the Blinebry zone swabbed dry on test. Then, water samples from the Tubbs and Drinkard formations were submitted to an independent laboratory for water analysis and compatibility tests. The enclosed analysis indicates that combining the fluids downhole will not result in the formation of precipitates which might damage any of the formations.

303-C(1)(a)(v), the total value of the crude will not be reduced by commingling. The gravity of the Tubbs crude was 36.6 degrees and the Drinkard crude was 36.8 degrees. Both crudes are comparable in quality. Therefore, there should be no change in the price for the crude oil or natural gas.

303-C(1)(a)(vi), all formations have the same ownership, including working interests and royalty interests. There is no overriding royalty interest.

303-C(1)(a)(vii), the commingling will not jeopardize the efficiency of any future secondary recovery operation and there is no present secondary recovery operation that would include this acreage.

The Simmons No. 1 well is a re-entry of a P&A well. Formerly this well was operated by Sohio Petroleum Company as their Grizzell No. 1. It originally produced the Drinkard formation and has a cumulative production of 67,016 barrels of oil and 22,663 MCF of gas. It was plugged back to the Tubbs formation which has a cumulative production of 1,372 barrels of oil and 467,863 MCF of gas. An attempt was made to plug back and produce the Blinebry, but it only produced 47 barrels of oil and 23 MCF of gas. The well was deemed to be uneconomical to produce and was plugged and abandoned on February 19, 1985.

We have re-entered the well and swab tested the well to produce as indicated on the enclosed C-105 and C-116 forms.

A plat has been enclosed which shows the location of the lease and the well. It also shows the ownership of offsetting leases. The three offsetting operators have been notified of our application for downhole commingling. A copy of the letter to each is enclosed.

Since this well is a recent re-entry of a P&A well, we request that the requirement for a decline curve be waived.

The best estimate of bottom hole pressures for the Blinebry, Tubbs and Drinkard formations would be 450 psi. Since artificial lift will keep the well always in a pumped-off condition, there will be no opportunity for cross-flow to occur.

Based on the enclosed C-116 test data, the following formula is suggested for allocating the production of oil, gas and water:

<u>Formation</u>	<u>Percent Oil</u>	<u>Percent Gas</u>	<u>Percent Water</u>
Blinebry	0	0	0
Tubbs	25	28	46
Drinkard	75	72	54

Your favorable consideration of this request for administrative approval for downhole commingling will allow the return to production

of a well that would otherwise be uneconomical to produce. This will allow the production of reserves that would otherwise be left in the formations. This will protect correlative rights since offsetting wells are being produced from these formations.

If you have any questions or need any additional information, please contact either Farris Nelson or Don Bratton at the above address or telephone number.

Sincerely,

*Farris Nelson*

Farris Nelson



Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies  
**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240

**DISTRICT II**  
 P.O. Drawer DD, Artesia, NM 88210

**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
 Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION**  
 P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

Form C-105  
 Revised 1-1-89

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well: OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_  
 b. Type of Completion: NEW WELL  WORK OVER  DEEPEN  PLUG BACK  DIFF RESVR  OTHER Re-entry of a P & A Well  
 2. Name of Operator: Zia Energy, Inc.  
 3. Address of Operator: P.O. Box 2219, Hobbs, NM 88241  
 4. Well Location: Unit Letter G: 1760 Feet From The North Line and 1760 Feet From The East Line. Section 5 Township 22 South Range 37 East NMPM Lea County  
 7. Lease Name or Unit Agreement Name: Simmons  
 8. Well No.: 1  
 9. Pool name or Wildcat: Blinebry

10. Date Spudded: 2/5/91  
 11. Date T.D. Reached: 2/21/91  
 12. Date Compl. (Ready to Prod.): 2/24/91  
 13. Elevations (DF & RKB, RT, GR, etc.): 3424' GR  
 14. Elev. Casinghead: 3424'

15. Total Depth: 6459'  
 16. Plug Back T.D.: 5990'  
 17. If Multiple Compl. How Many Zones?:  
 18. Intervals Drilled By: Rotary Tools | Cable Tools  
 0-6549' Reverse Circulation.  
 19. Producing interval(s), of this completion - Top, Bottom, Name: 5820' - 5845'  
 20. Was Directional Survey Made: No  
 21. Type Electric and Other Logs Run: Gamma Ray - Compensated Neutron  
 22. Was Well Cored: No

**23. CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 - 3/8"	48#	161'	17 - 1/2"	160 sx	NONE
8 - 5/8"	28#	2947'	11"	1500 sx	NONE

**24. LINER RECORD**

SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN
5 - 1/2"	2835'	6488'	300	NONE

**25. TUBING RECORD**

SIZE	DEPTH SET	PACKER SET
2 - 3/8"	5975'	NONE

26. Perforation record (interval, size, and number): 5820' - 5845' Original Perforations  
 27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.  
 DEPTH INTERVAL: 5820' - 5845'  
 AMOUNT AND KIND MATERIAL USED: 5000 gallons of 15% HCL - NEFE acid

**28. PRODUCTION**

Date First Production: 2/24/91  
 Production Method (Flowing, gas lift, pumping - Size and type pump): Swab tested to evaluate formation  
 Well Status (Prod. or Shut-in): Shut-in  
 Date of Test: 3/1/91  
 Hours Tested: 12  
 Choke Size: -  
 Prod'n For Test Period: Oil - Bbl. 0, Gas - MCF TSTM, Water - Bbl. 0, Gas - Oil Ratio 0  
 Flow Tubing Press.: -  
 Casing Pressure: 15  
 Calculated 24-Hour Rate: Oil - Bbl. 0, Gas - MCF TSTM, Water - Bbl. 0, Oil Gravity - API - (Corr.) -

29. Disposition of Gas (Sold, used for fuel, vented, etc.): Vented pending connection to gas pipeline  
 Test Witnessed By: Farris Nelson

30. List Attachments: Gamma Ray - Compensated Neutron

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief  
 Signature: Farris Nelson Printed Name: Farris Nelson Title: Engineer Date: 4/17/91



Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies  
 DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240

DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
 Energy, Minerals and Natural Resources Department

**OIL CONSERVATION DIVISION**  
 P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

Form C-105  
 Revised 1-1-89

WELL API NO. \_\_\_\_\_

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No. \_\_\_\_\_

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well:  
 OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

b. Type of Completion:  
 NEW WELL  WORK OVER  DEEPEN  PLUG BACK  DIFF RESVR  OTHER Re-entry of a P & A Well

7. Lease Name or Unit Agreement Name  
 Simmons

2. Name of Operator  
 Zia Energy, Inc.

8. Well No.  
 1

3. Address of Operator  
 P.O. Box 2219, Hobbs, NM 88241

9. Pool name or Wildcat  
 Tubbs

4. Well Location  
 Unit Letter G : 1760 Feet From The North Line and 1760 Feet From The East Line  
 Section 5 Township 22 South Range 37 East NMPM Lea County

10. Date Spudded 2/5/91 11. Date T.D. Reached 2/21/91 12. Date Compl. (Ready to Prod.) 3/6/91 13. Elevations (DF & RKB, RT, GR, etc.) 3424' GR 14. Elev. Casinghead 3424'

15. Total Depth 6459' 16. Plug Back T.D. 6275' 17. If Multiple Compl. How Many Zones? \_\_\_\_\_ 18. Intervals Drilled By Rotary Tools 0-6549' Reverse Circula Cable Tools

19. Producing Interval(s), of this completion - Top, Bottom, Name 6062' - 6163' 20. Was Directional Survey Made No

21. Type Electric and Other Logs Run Gamma Ray - Compensated Neutron 22. Was Well Cored No

**23. CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 - 3/8"	48#	161'	17 - 1/2"	160 sx	NONE
8 - 5/8"	28#	2947'	11"	1500 sx	NONE

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
5 - 1/2"	2835'	6488'	300	NONE	2 - 3/8"	6225'	NONE

26. Perforation record (interval, size, and number)  
6062' - 6163' Original Perforations

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.  
 DEPTH INTERVAL 6062' - 6163' AMOUNT AND KIND MATERIAL USED 5000 gallons of 15% HCL - NEFE acid

**28. PRODUCTION**

Date First Production 3/6/91 Production Method (*Flowing, gas lift, pumping - Size and type pump*) Swab tested to evaluate formation Well Status (*Prod. or Shut-in*) Shut-in

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
3/11/91	12	-		0.75	5.0	3.0	6.667

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
-	15		1.5	10	6	36.6

29. Disposition of Gas (*Sold, used for fuel, vented, etc.*) Vented pending connection to gas pipeline Test Witnessed By Farris Nelson

30. List Attachments  
Gamma Ray - Compensated Neutron

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Farris Nelson Printed Name Farris Nelson Title Engineer Date 4/17/91



Submit to Appropriate District Office  
 State Lease - 6 copies  
 Fee Lease - 5 copies  
**DISTRICT I**  
 P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
 Energy, Minerals and Natural Resources Department

Form C-105  
 Revised 1-1-89

**OIL CONSERVATION DIVISION**  
 P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

**DISTRICT II**  
 P.O. Drawer DD, Artesia, NM 88210

**DISTRICT III**  
 1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO. \_\_\_\_\_

5. Indicate Type of Lease  
 STATE  FEE

6. State Oil & Gas Lease No. \_\_\_\_\_

**WELL COMPLETION OR RECOMPLETION REPORT AND LOG**

1a. Type of Well:  
 OIL WELL  GAS WELL  DRY  OTHER \_\_\_\_\_

b. Type of Completion:  
 NEW WELL  WORK OVER  DEEPEN  PLUG BACK  DIFF RESVR  OTHER  Re-entry of a P & A Well

2. Name of Operator  
 Zia Energy, Inc.

3. Address of Operator  
 P.O. Box 2219, Hobbs, NM 88241

7. Lease Name or Unit Agreement Name  
 Simmons

8. Well No.  
 1

9. Pool name or Wildcat  
 Drinkard

4. Well Location  
 Unit Letter G : 1760 Feet From The North Line and 1760 Feet From The East Line  
 Section 5 Township 22 South Range 37 East NMPM Lea County

10. Date Spudded 2/5/91 11. Date T.D. Reached 2/21/91 12. Date Compl. (Ready to Prod.) 3/20/91 13. Elevations (DF & RKB, RT, GR, etc.) 3424' GR 14. Elev. Casinghead 3424'

15. Total Depth 6459' 16. Plug Back T.D. 6540' 17. If Multiple Compl. How Many Zones? \_\_\_\_\_ 18. Intervals Drilled By Rotary Tools 0-6549' Reverse Circula Cable Tools \_\_\_\_\_

19. Producing Interval(s), of this completion - Top, Bottom, Name  
6440' - 6549' 20. Was Directional Survey Made No

21. Type Electric and Other Logs Run  
Gamma Ray - Compensated Neutron 22. Was Well Cored No

**CASING RECORD (Report all strings set in well)**

CASING SIZE	WEIGHT LB/FT.	DEPTH SET	HOLE SIZE	CEMENTING RECORD	AMOUNT PULLED
13 - 3/8"	48#	161'	17 - 1/2"	160 sx	NONE
8 - 5/8"	28#	2947'	11"	1500 sx	NONE

24. LINER RECORD				25. TUBING RECORD			
SIZE	TOP	BOTTOM	SACKS CEMENT	SCREEN	SIZE	DEPTH SET	PACKER SET
5 - 1/2"	2835'	6488'	300	NONE	2 - 3/8"	6525'	NONE

26. Perforation record (interval, size, and number)  
6440' - 6478' Original Perforations  
6488' - 6549' Open Hole

27. ACID, SHOT, FRACTURE, CEMENT, SQUEEZE, ETC.  
 DEPTH INTERVAL AMOUNT AND KIND MATERIAL USED  
6440' - 6549' 5000 gallons of 15% HCL - NEFE acid

**PRODUCTION**

28. Date First Production 3/20/91 Production Method (*Flowing, gas lift, pumping - Size and type pump*)  
Swab tested to evaluate formation Well Status (*Prod. or Shut-in*)  
Shut-in

Date of Test	Hours Tested	Choke Size	Prod'n For Test Period	Oil - Bbl.	Gas - MCF	Water - Bbl.	Gas - Oil Ratio
<u>3/22/91</u>	<u>12</u>	<u>-</u>		<u>2.25</u>	<u>12.5</u>	<u>3.5</u>	<u>5.556</u>

Flow Tubing Press.	Casing Pressure	Calculated 24-Hour Rate	Oil - Bbl.	Gas - MCF	Water - Bbl.	Oil Gravity - API - (Corr.)
<u>-</u>	<u>15</u>		<u>4.5</u>	<u>25</u>	<u>7</u>	<u>36.8</u>

29. Disposition of Gas (*Sold, used for fuel, vented, etc.*)  
Vented pending connection to gas pipeline Test Witnessed By  
Farris Nelson

30. List Attachments  
Gamma Ray - Compensated Neutron

31. I hereby certify that the information shown on both sides of this form is true and complete to the best of my knowledge and belief

Signature Farris Nelson Printed Name Farris Nelson Title Engineer Date 4/17/91



Submit 5 Copies  
Appropriate District Office  
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-104  
Revised 1-1-89  
See Instructions  
at Bottom of Page

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

**OIL CONSERVATION DIVISION**  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

**REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS**

I.

Operator <b>Zia Energy, Inc.</b>	Well API No.
Address <b>P.O. Box 2219, Hobbs, NM 88241</b>	
Reason(s) for Filing (Check proper box) New Well <input type="checkbox"/> Recompletion <input type="checkbox"/> Change in Operator <input type="checkbox"/>	Change in Transporter of: Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/>
<input checked="" type="checkbox"/> Other (Please explain) <b>Re-entry of P &amp; A well. Formerly Sohio Grizzell #1 P &amp; A 2/19/85.</b>	
If change of operator give name and address of previous operator _____	

II. DESCRIPTION OF WELL AND LEASE

Lease Name <b>Simmons</b>	Well No. <b>1</b>	Pool Name, Including Formation <b>Blinebry</b>	Kind of Lease State, Federal or Fee	Lease No.
Location Unit Letter <b>G</b> : <b>1760</b> Feet From The <b>North</b> Line and <b>1760</b> Feet From The <b>East</b> Line Section <b>5</b> Township <b>22 South</b> Range <b>37 East</b> , NMPM, <b>Lea</b> County				

III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> <b>Navajo Refining Company</b>	Address (Give address to which approved copy of this form is to be sent) <b>P.O. Drawer 159, Artesia, NM 88210</b>	
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)	
If well produces oil or liquids, give location of tanks.	Unit <b>G</b>	Sec. <b>5</b>
	Twp. <b>22S</b>	Rge. <b>37E</b>
	Is gas actually connected? <b>No</b>	When? <b>As Soon As Possible</b>

If this production is commingled with that from any other lease or pool, give commingling order number: \_\_\_\_\_

IV. COMPLETION DATA

Designate Type of Completion - (X)	Oil Well <input checked="" type="checkbox"/>	Gas Well	New Well <input type="checkbox"/>	Workover <input type="checkbox"/>	Deepen <input type="checkbox"/>	Plug Back <input type="checkbox"/>	Same Res'v <input type="checkbox"/>	Diff Res'v <input type="checkbox"/>
Date Spudded <b>2/5/91</b>	Date Compl. Ready to Prod. <b>2/24/91</b>	Total Depth <b>6549'</b>	Re-entry of P & A well.					
Elevations (DF, RKB, RT, GR, etc.) <b>3424' GR</b>	Name of Producing Formation <b>Blinebry</b>	Top Oil/Gas Pay <b>5820'</b>	Tubing Depth <b>5975'</b>					
Perforations <b>5820' - 5845' Original perforations</b>							Depth Casing Shoe <b>6488'</b>	
<b>TUBING, CASING AND CEMENTING RECORD</b>								
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET			SACKS CEMENT		
<b>17 - 1/2"</b>	<b>13 - 3/8"</b>		<b>161'</b>			<b>160</b>		
<b>11"</b>	<b>8 - 5/8"</b>		<b>2947'</b>			<b>1500</b>		
<b>7 - 7/8"</b>	<b>5 - 1/2" liner</b>		<b>2835' - 6488'</b>			<b>300</b>		
	<b>2 - 3/8" tubing</b>		<b>5975'</b>			<b>NONE</b>		

V. TEST DATA AND REQUEST FOR ALLOWABLE

**OIL WELL** (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank <b>2/24/91</b>	Date of Test <b>3/1/91</b>	Producing Method (Flow, pump, gas lift, etc.) <b>Swab tested to evaluate formation</b>	
Length of Test <b>12 hrs.</b>	Tubing Pressure <b>-</b>	Casing Pressure <b>15</b>	Choke Size <b>-</b>
Actual Prod. During Test <b>0</b>	Oil - Bbls. <b>0</b>	Water - Bbls. <b>0</b>	Gas- MCF <b>TSTM</b>

**GAS WELL**

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

VI. OPERATOR CERTIFICATE OF COMPLIANCE

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature *Farris Nelson*  
Printed Name **Farris Nelson** Title **President**  
Date **4/17/91** Telephone No. **505/393-2937**

**OIL CONSERVATION DIVISION**

Date Approved \_\_\_\_\_  
By \_\_\_\_\_  
Title \_\_\_\_\_

**INSTRUCTIONS:** This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Submit 5 Copies  
Appropriate District Office  
DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

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1000 Rio Brazos Rd., Aztec, NM 87410

**REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS**

**I.**

Operator <b>Zia Energy, Inc.</b>	Well API No.
Address <b>P.O. Box 2219, Hobbs, NM 88241</b>	
Reason(s) for Filing (Check proper box) <input checked="" type="checkbox"/> Other (Please explain) New Well <input type="checkbox"/> Change in Transporter of: Recompletion <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Change in Operator <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> Re-entry of P & A well. Formerly Sohio Grizzell #1 P & A 2/19/85.	
If change of operator give name and address of previous operator _____	

**II. DESCRIPTION OF WELL AND LEASE**

Lease Name <b>Simmons</b>	Well No. <b>1</b>	Pool Name, including Formation <b>Tubbs</b>	Kind of Lease State, Federal or Fee	Lease No.
Location Unit Letter <b>G</b> : <b>1760</b> Feet From The <b>North</b> Line and <b>1760</b> Feet From The <b>East</b> Line Section <b>5</b> Township <b>22 South</b> Range <b>37 East</b> ,NMPM, <b>Lea</b> County				

**III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS**

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> <b>Navajo Refining Company</b>	Address (Give address to which approved copy of this form is to be sent) <b>P.O. Drawer 159, Artesia, NM 88210</b>				
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)				
If well produces oil or liquids, give location of tanks.	Unit <b>G</b>	Sec. <b>5</b>	Twp. <b>22S</b>	Rge. <b>37E</b>	Is gas actually connected? <b>NO</b> When? <b>As Soon As Possible</b>
If this production is commingled with that from any other lease or pool, give commingling order number: _____					

**IV. COMPLETION DATA**

Designate Type of Completion - (X)	Oil Well <input checked="" type="checkbox"/>	Gas Well	New Well	Workover	Deepen	Plug Back	Same Res'v	Diff Res'v
	<b>X</b>							
Date Spudded <b>2/5/91</b>	Date Compl. Ready to Prod. <b>3/6/91</b>	Total Depth <b>6549'</b>			P.B.T.D. <b>6275'</b>			
Elevations (DF, RKB, RT, GR, etc.) <b>3424' GR</b>	Name of Producing Formation <b>Tubbs</b>	Top Oil/Gas Pay <b>6062'</b>			Tubing Depth <b>6225'</b>			
Perforations <b>6062' - 6163' Original perforations</b>					Depth Casing Shoe <b>6488'</b>			
<b>TUBING, CASING AND CEMENTING RECORD</b>								
HOLE SIZE		CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT		
<b>17 - 1/2"</b>		<b>13 - 3/8"</b>		<b>161'</b>		<b>160</b>		
<b>11"</b>		<b>8 - 5/8"</b>		<b>2947'</b>		<b>1500</b>		
<b>7 - 7/8"</b>		<b>5 - 1/2" liner</b>		<b>2835' - 6488'</b>		<b>300</b>		
		<b>2 - 3/8" tubing</b>		<b>6225'</b>		<b>NONE</b>		

**V. TEST DATA AND REQUEST FOR ALLOWABLE**

**OIL WELL** (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank <b>3/6/91</b>	Date of Test <b>3/11/91</b>	Producing Method (Flow, pump, gas lift, etc.) <b>Swab tested to evaluate formation</b>	
Length of Test <b>12 hrs.</b>	Tubing Pressure <b>-</b>	Casing Pressure <b>15</b>	Choke Size <b>-</b>
Actual Prod. During Test <b>3.75 bbls</b>	Oil - Bbls. <b>0.75</b>	Water - Bbls. <b>3.0</b>	Gas- MCF <b>5.0</b>

**GAS WELL**

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

**VI. OPERATOR CERTIFICATE OF COMPLIANCE**

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

Signature *Farris Nelson*  
 Printed Name **Farris Nelson** Title **President**  
 Date **4/17/91** Telephone No. **505/393-2937**

**OIL CONSERVATION DIVISION**

Date Approved \_\_\_\_\_  
 By \_\_\_\_\_  
 Title \_\_\_\_\_

**INSTRUCTIONS:** This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

**OIL CONSERVATION DIVISION**

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

**REQUEST FOR ALLOWABLE AND AUTHORIZATION  
TO TRANSPORT OIL AND NATURAL GAS**

**I.**

Operator <b>Zia Energy, Inc.</b>	Well API No.
Address <b>P.O. Box 2219, Hobbs, NM 88241</b>	
Reason(s) for Filing (Check proper box) <input checked="" type="checkbox"/> Other (Please explain) New Well <input type="checkbox"/> Change in Transporter of: Re-entry of P & A well. Recompletion <input type="checkbox"/> Oil <input type="checkbox"/> Dry Gas <input type="checkbox"/> Formerly Sohio Grizzell #1 Change in Operator <input type="checkbox"/> Casinghead Gas <input type="checkbox"/> Condensate <input type="checkbox"/> P & A 2/19/85.	
If change of operator give name and address of previous operator _____	

**II. DESCRIPTION OF WELL AND LEASE**

Lease Name <b>Simmons</b>	Well No. <b>1</b>	Pool Name, Including Formation <b>Drinkard</b>	Kind of Lease State, Federal or Fee	Lease No.
Location Unit Letter <b>G</b> : <b>1760</b> Feet From The <b>North</b> Line and <b>1760</b> Feet From The <b>East</b> Line Section <b>5</b> Township <b>22 South</b> Range <b>37 East</b> ,NMPM, <b>Lea</b> County				

**III. DESIGNATION OF TRANSPORTER OF OIL AND NATURAL GAS**

Name of Authorized Transporter of Oil <input checked="" type="checkbox"/> or Condensate <input type="checkbox"/> <b>Navajo Refining Company</b>	Address (Give address to which approved copy of this form is to be sent) <b>P.O. Drawer 159, Artesia, NM 88210</b>
Name of Authorized Transporter of Casinghead Gas <input type="checkbox"/> or Dry Gas <input type="checkbox"/>	Address (Give address to which approved copy of this form is to be sent)
If well produces oil or liquids, give location of tanks.	Unit   Sec.   Twp.   Rge.   Is gas actually connected?   When ? <b>G   5   22S   37E   No   As Soon As Possible</b>

If this production is commingled with that from any other lease or pool, give commingling order number: \_\_\_\_\_

**IV. COMPLETION DATA**

Designate Type of Completion - (X)	Oil Well <input checked="" type="checkbox"/>	Gas Well	New Well <input type="checkbox"/>	Workover <input type="checkbox"/>	Deepen <input type="checkbox"/>	Plug Back <input type="checkbox"/>	Same Res'v	Diff Res'v
	<b>X</b>		<b>Re-entry of P &amp; A</b>			<b>well.</b>		
Date Spudded <b>2/5/91</b>	Date Compl. Ready to Prod. <b>3/20/91</b>	Total Depth <b>6549'</b>		P.B.T.D. <b>6540'</b>				
Elevations (DF, RKB, RT, GR, etc.) <b>3424'</b>	Name of Producing Formation <b>Drinkard</b>	Top Oil/Gas Pay <b>6440'</b>		Tubing Depth <b>6525'</b>				
Perforations <b>6440' - 6478' (Original perforations) - 6488' - 6549'</b>			Open Hole		Depth Casing Shoe <b>6488'</b>			
<b>TUBING, CASING AND CEMENTING RECORD</b>								
HOLE SIZE	CASING & TUBING SIZE		DEPTH SET		SACKS CEMENT			
<b>17 - 1/2"</b>	<b>13 - 3/8"</b>		<b>161'</b>		<b>160</b>			
<b>11"</b>	<b>8 - 5/8"</b>		<b>2947'</b>		<b>1500</b>			
<b>7 - 7/8"</b>	<b>5 - 1/2" liner</b>		<b>2835' - 6488'</b>		<b>300</b>			
	<b>2 - 3/8" tubing</b>		<b>6525'</b>		<b>NONE</b>			

**V. TEST DATA AND REQUEST FOR ALLOWABLE**

**OIL WELL** (Test must be after recovery of total volume of load oil and must be equal to or exceed top allowable for this depth or be for full 24 hours.)

Date First New Oil Run To Tank <b>3/20/91</b>	Date of Test <b>3/22/91</b>	Producing Method (Flow, pump, gas lift, etc.) <b>Swab tested to evaluate formation</b>	
Length of Test <b>12 hrs.</b>	Tubing Pressure <b>-</b>	Casing Pressure <b>15</b>	Choke Size <b>-</b>
Actual Prod. During Test <b>5.75</b>	Oil - Bbls. <b>2.25</b>	Water - Bbls. <b>3.5</b>	Gas - MCF <b>12.5</b>

**GAS WELL**

Actual Prod. Test - MCF/D	Length of Test	Bbls. Condensate/MMCF	Gravity of Condensate
Testing Method (pilot, back pr.)	Tubing Pressure (Shut-in)	Casing Pressure (Shut-in)	Choke Size

**VI. OPERATOR CERTIFICATE OF COMPLIANCE**

I hereby certify that the rules and regulations of the Oil Conservation Division have been complied with and that the information given above is true and complete to the best of my knowledge and belief.

*Farris Nelson*  
Signature **Farris Nelson** President  
Printed Name  
Date **4/17/91** Title **505/393-2937**  
Telephone No.

**OIL CONSERVATION DIVISION**

Date Approved \_\_\_\_\_  
By \_\_\_\_\_  
Title \_\_\_\_\_

**INSTRUCTIONS:** This form is to be filed in compliance with Rule 1104

- 1) Request for allowable for newly drilled or deepened well must be accompanied by tabulation of deviation tests taken in accordance with Rule 111.
- 2) All sections of this form must be filled out for allowable on new and recompleted wells.
- 3) Fill out only Sections I, II, III, and VI for changes of operator, well name or number, transporter, or other such changes.
- 4) Separate Form C-104 must be filed for each pool in multiply completed wells.

Submit 3 Copies  
to Appropriate  
District Office

State of New Mexico  
Energy, Minerals and Natural Resources Department

Form C-103  
Revised 1-1-89

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240

OIL CONSERVATION DIVISION  
P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210

DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

WELL API NO.

5. Indicate Type of Lease  
STATE  FEE

6. State Oil & Gas Lease No.

SUNDRY NOTICES AND REPORTS ON WELLS  
(DO NOT USE THIS FORM FOR PROPOSALS TO DRILL OR TO DEEPEN OR PLUG BACK TO A  
DIFFERENT RESERVOIR. USE "APPLICATION FOR PERMIT"  
(FORM C-101) FOR SUCH PROPOSALS.)

7. Lease Name or Unit Agreement Name

Simmons

1. Type of Well:  
OIL WELL  GAS WELL  OTHER

8. Well No.  
1

2. Name of Operator  
Zia Energy, Inc.

3. Address of Operator  
P.O. Box 2219, Hobbs, NM 88241

9. Pool name or Wildcat  
Blinebary, Tubbs, Drinkard

4. Well Location  
Unit Letter G : 1760 Feet From The North Line and 1760 Feet From The East Line

Section 5 Township 22 South Range 37 East NMPM Lea County

10. Elevation (Show whether DF, RKB, RT, GR, etc.)  
3424' GR

11. Check Appropriate Box to Indicate Nature of Notice, Report, or Other Data

NOTICE OF INTENTION TO:

SUBSEQUENT REPORT OF:

PERFORM REMEDIAL WORK

PLUG AND ABANDON

REMEDIAL WORK

ALTERING CASING

TEMPORARILY ABANDON

CHANGE PLANS

COMMENCE DRILLING OPNS.

PLUG AND ABANDONMENT

PULL OR ALTER CASING

CASING TEST AND CEMENT JOB

OTHER:

OTHER: Re - entry of P & A Well

12. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed work) SEE RULE 1103.

- 1/30/91 commenced operations to re-enter P & A Sohio Grizzell #1. Cleared location, dug out cellar, removed dry hole marker and drilled 40' of top plug.
- 2/5/91 MI RU pulling unit and reverse circulation equipment. Continued to drill surface cement plug. Fell out of cmt. at 180'. Tagged 2nd plug @ 906'. Drilled through 2nd plug at 1112'.
- 2/7/91 Circulate down to 3rd plug at 2039'. Drilled cmt. to 2275'. Circulated down to 2852', the top of the 5 1/2" casing. Pressured up on the 8 5/8" csg. - would not hold pressure. Located a hole in the 8 5/8" csg. at 1135'. Squeezed hole using 100 sx cmt. Displaced 75 sx through hole - left 25 sx in csg. Drilled out cmt. using 7 5/8" bit. Pressure tested to 500 psi - held w/0 loss of pressure.
- 2/9/91 TIH w/ 4 3/4" hole - circulated to 5491'. Drilled cmt. & CIBP to 5509'. Circulated to 5952'. Drilled cmt. & CIBP to 5964'. Continued

I hereby certify that the information above is true and complete to the best of my knowledge and belief.

SIGNATURE Farris Nelson TITLE Engineer DATE 4/17/91

TYPE OR PRINT NAME Farris Nelson TELEPHONE NO. 505/393-2937

(This space for State Use)

APPROVED BY \_\_\_\_\_ TITLE \_\_\_\_\_ DATE \_\_\_\_\_

CONDITIONS OF APPROVAL, IF ANY:

CONTINUED

5. Circulated down to 6234'. Drilled cmt. & CIBP to 6300'. Circulate to 6549' - original TD.
6. Set a guide on top of 5 1/2" csg at 2852' with one joint of 5 1/2" csg. & a swage from 5 1/2" to 8 5/8".
7. Set a BP at 5990' & a pkr. at 5800'. Treated Blinebry perfs. from 5820' - 5845' using 5000 gallons of 15% HCL. Swab tested Blinebry 0 BOPD, 0 BWPD & gas. TSTM.
8. Moved BP to 6275' & pkr at 6000'. Treated Tubbs perfs from 6062' - 6163' using 5000 gallons of 15% HCL. Swab tested. Tubbs to produce 1.5 BOPD, 6.0 BWPD & gas 10 MCF/D.
9. TOH to lay down BP. TIH w/ pkr. - set pkr. at 6410'. Treated Drinkard perfs. from 6440' - 6478' & 6488' - 6549' open hole using 5000 gallons of 15% HCL. Swab tested Drinkard to produce 4.5 BOPD, 7.0 BWPD & gas 25.0 MCF/D.
10. TOH to lay down pkr. & 2 7/8" work string. TIH w/ 6501' 2 3/8" tbg. w/complete assembly to pump, including a tbg. anchor set at 5800'. Picked up 2" X 1 1/2" X 16' rod pump, 3/4" and 7/8" rods. SD w/o pumping unit, electricity & paper work.

Submit 2 copies to Appropriate District Office.

DISTRICT I  
 P.O. Box 1980, Hobbs, NM 88240  
 DISTRICT II  
 P.O. Drawer DD, Artesia, NM 88210  
 DISTRICT III  
 1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
 Energy, Minerals and Natural Resources Department

P.O. Box 2088  
 Santa Fe, New Mexico 87504-2088

Form C-116  
 Revised 1/1/89

**OIL CONSERVATION DIVISION**

**GAS - OIL RATIO TEST**

Operator <b>Zia Energy, Inc.</b>		Pool <b>Blinebry</b>		County <b>Lea</b>										
Address <b>P.O. Box 2219, Hobbs, NM 88241</b>		TYPE OF TEST - (X) <input type="checkbox"/> Scheduled <input type="checkbox"/> Special		Completion <input checked="" type="checkbox"/> XX <input type="checkbox"/>										
LEASE NAME	WELL NO.	LOCATION				DATE OF TEST	CHOKE SIZE	TBG. PRESS.	DAILY ALLOW. ABLE	LENGTH OF TEST HOURS	PROD. DURING TEST			GAS - OIL RATIO CU FT/BBL.
		U	S	T	R						WATER BBL.S.	GRAV. OIL	OIL BBL.S.	
Simmons	1	G	5	22537E		3/1/91	-	-	-	24	0	-	0	TST/M
Swab tested to evaluate the Blinebry formation.														

**Instructions:**

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.  
 Gas volumes must be reported in MCF measured at a pressure base of 15,025 psia and a temperature of 60° F.  
 Specific gravity base will be 0.60.  
 Report casing pressure in lieu of tubing pressure for any well producing through casing.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Signature *Farris Nelson*  
 Farris Nelson  
 Printed name and title  
 Date 04/17/91  
 Engineer  
 505/393-2937  
 Telephone No.

(See Rule 301, Rule 1116 & appropriate pool rules.)

Submit 2 copies to Appropriate District Office.

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240  
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Form C-116  
Revised 1/1/89

**OIL CONSERVATION DIVISION**

**GAS - OIL RATIO TEST**

Operator <b>Zia Energy, Inc.</b>		Pool <b>Tubbs</b>		County <b>Lea</b>	
Address <b>P.O. Box 2219, Hobbs, NM 88241</b>		TYPE OF TEST - (X) <input type="checkbox"/> TEST - (X)		Schedulable <input type="checkbox"/>	
LEASE NAME <b>Simmons</b>		WELL NO. <b>1</b>		Completion <input checked="" type="checkbox"/> XX	
LOCATION <b>G 5 22S 37E</b>		DATE OF TEST <b>3/11/91</b>		Special <input type="checkbox"/>	
Swab tested to evaluate the Tubbs formation		CHOKE SIZE <b>-</b>		DAILY ALLOW-ABLE <b>-</b>	
		TBG. PRESS. <b>-</b>		LENGTH OF TEST HOURS <b>24</b>	
		PROD. DURING TEST WATER BBL.S. <b>6.0</b> GRAV. OIL <b>36.6</b>		OIL BBL.S. TEST <b>1.5</b>	
		GAS M.C.F. <b>10</b>		GAS - OIL RATIO CU FT/BBL. <b>6,667</b>	

**Instructions:**

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.

Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F. Specific gravity base will be 0.60.  
Report casing pressure in lieu of tubing pressure for any well producing through casing.

(See Rule 301, Rule 1116 & appropriate pool rules.)

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

Signature *Farris Nelson*  
Farris Nelson  
Printed name and title  
Engineer

Date 4/17/91  
505/393-2937  
Telephone No.

Submit 2 copies to Appropriate District Office.

DISTRICT I  
P.O. Box 1980, Hobbs, NM 88240  
DISTRICT II  
P.O. Drawer DD, Artesia, NM 88210  
DISTRICT III  
1000 Rio Brazos Rd., Aztec, NM 87410

State of New Mexico  
Energy, Minerals and Natural Resources Department

P.O. Box 2088  
Santa Fe, New Mexico 87504-2088

Form C-116  
Revised 1/1/89

**OIL CONSERVATION DIVISION**

**GAS - OIL RATIO TEST**

Operator <b>Zia Energy, Inc.</b>		Pool <b>Drinkard</b>		County <b>Lea</b>										
Address <b>P.O. Box 2219, Hobbs, NM 88241</b>		TYPE OF TEST - (X) <input type="checkbox"/> Scheduled <input type="checkbox"/> DAILY ALLOW-ABLE		Completion <input checked="" type="checkbox"/> Special <input type="checkbox"/>										
LEASE NAME	WELL NO.	LOCATION			DATE OF TEST	SIZE	TBG. PRESS.	LENGTH OF TEST HOURS	PROD. DURING TEST		GAS RATIO CU FT/ BBL.			
		U	S	T					R	WATER BBL.S.		GRAV. OIL	OIL BBL.S.	GAS M.C.F.
Simmons	1	G	5	22S	37E	3/22/91	-	-	24	7.0	36.8	4.5	25.0	5.556

**Instructions:**

During gas-oil ratio test, each well shall be produced at a rate not exceeding the top unit allowable for the pool in which well is located by more than 25 percent. Operator is encouraged to take advantage of this 25 percent tolerance in order that well can be assigned increased allowables when authorized by the Division.  
Gas volumes must be reported in MCF measured at a pressure base of 15.025 psia and a temperature of 60° F.  
Specific gravity base will be 0.60.  
Report casing pressure in lieu of tubing pressure for any well producing through casing.

I hereby certify that the above information is true and complete to the best of my knowledge and belief.

*Farris Nelson*

Signature  
**Farris Nelson**  
Printed name and title  
**Engineer**

Date  
**4/17/91**  
**505/393-2937**

Telephone No.

(See Rule 301, Rule 1116 & appropriate pool rules.)

P. O. BOX 2219

# ZIA ENERGY, INC.

PHONE (505) 393-2937

HOBBS, NEW MEXICO 88241

April 18, 1991

Mr. William B. Yarborough  
200 Loraine-Suite 1400  
Midland, Texas 79701

Re: Request for Administrative Approval  
for Downhole Commingling-OCD Rule  
303-C for the:  
Zia Energy, Inc. Simmons No. 1-G  
Sec. 5-T22S-R37E, Lea County, NM

Gentlemen:

Zia Energy, Inc. has re-entered the above described P&A well. After testing the Blinbry, Tubbs and Drinkard formations, we have made application to the New Mexico Oil Conservation Division for administrative approval for downhole commingling under OCD Rule 303-C (Downhole Commingling), for these three formations.

This is intended to serve as our notice to you of our application.

Sincerely,



Farris Nelson

CERTIFIED MAIL # P 175 163 199

P. O. BOX 2219

# ZIA ENERGY, INC.

PHONE (505) 393-2937

HOBBS, NEW MEXICO 88241

April 18, 1991

Chevron USA Inc.  
P. O. Box 688  
Eunice, New Mexico 88231

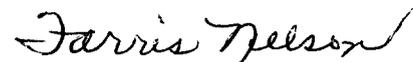
Re: Request for Administrative Approval  
for Downhole Commingling-OCD Rule  
303-C for the:  
Zia Energy, Inc. Simmons No. 1-G  
Sec. 5-T22S-R37E, Lea County, NM

Gentlemen:

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This is intended to serve as our notice to you of our application.

Sincerely,



Farris Nelson

CERTIFIED MAIL # P 175 163 200

P. O. BOX 2219

# ZIA ENERGY, INC.

PHONE (505) 393-2937

HOBBS, NEW MEXICO 88241

April 18, 1991

B. E. C. Corporation  
P. O. Box 1392  
Midland, Texas 79702

Re: Request for Administrative Approval  
for Downhole Commingling-OCD Rule  
303-C for the:  
Zia Energy, Inc. Simmons No. 1-G  
Sec. 5-T22S-R37E, Lea County, NM

Gentlemen:

Zia Energy, Inc. has re-entered the above described P&A well. After testing the Blinbry, Tubbs and Drinkard formations, we have made application to the New Mexico Oil Conservation Division for administrative approval for downhole commingling under OCD Rule 303-C (Downhole Commingling), for these three formations.

This is intended to serve as our notice to you of our application.

Sincerely,



Farris Nelson

CERTIFIED MAIL # P 175 163 202

UNICHEM INTERNATIONAL  
P.O. BOX 1499 707 NORTH LEECH STREET  
HOBBS, NEW MEXICO 88240

Zia Energy, Inc.  
Box 2219  
Hobbs, NM 88240

Report Date: April 22, 1991  
Lab In Date: April 11, 1991  
Sample Date: April 11, 1991

Dear Brian Nelson

Listed below please find our water analysis report from Simmons, #1 Drinkard :

Specific Gravity: 1.102  
Total Dissolved Solids: 142825  
PH: 7.20  
Ionic Strength: 2.782

CATIONS:

mg/liter  
Calcium: (Ca++) 7360  
Magnesium: (Mg++) 2333  
Sodium: (Na+) 44485  
Iron (Total) (Fe++) 31.00  
Barium (Ba++) .20  
Manganese: (Mn++) 0.00  
Resistivity:

ANIONS:

Bicarbonate: (HCO3-) 146  
Carbonate: (CO3--) 0  
Hydroxide: (OH-) 0  
Sulfate: (SO4--) 501  
Chloride: (Cl-) 88000

GASES:

Carbon Dioxide: (CO2) \*\*\*\*\*  
Oxygen: (O2) \*\*\*\*\*  
Hydrogen Sulfide: (H2S) \*\*\*\*\*

SCALE INDEX (Positive Value Indicates Scale Tendency) \* indicates tests were not run.

Temperature	CaCO3 SI	CaSO4 SI
86F 30.0C	.82	-21.09
104F 40.0C	1.03	-20.90
122F 50.0C	1.30	-20.43
140F 60.0C	1.60	-20.04
168F 70.0C	1.93	-20.03
176F 80.0C	2.31	-20.31

If you have any questions or require further information, please contact us.

Sincerely,

  
Sharon Wright  
Laboratory Technician

cc:

bc: Joe Hay  
John Offutt

UNICHEM INTERNATIONAL  
P.O. BOX 1499 707 NORTH LEECH STREET  
HOBBS, NEW MEXICO 88240

Zia Energy, Inc.  
Box 2219  
Hobbs, NM 88240

Report Date: April 22, 1991  
Lab In Date: April 11, 1991  
Sample Date: April 11, 1991

Dear Brian Nelson

Listed below please find our water analysis report from Simmons, #1 Tubb :

Specific Gravity: 1.018  
Total Dissolved Solids: 24829  
PH: 6.80  
Ionic Strength: .498

=====

CATIONS: mg/liter

Calcium:	(Ca++)	1760
Magnesium:	(Mg++)	437
Sodium:	(Na+)	7106
Iron (Total)	(Fe++)	5.80
Barium	(Ba++)	.80
Manganese:	(Mn++)	0.00

Resistivity:

ANIONS:

Bicarbonate:	(HCO3-)	220
Carbonate:	(CO3--)	0
Hydroxide:	(OH-)	0
Sulfate:	(SO4--)	307
Chloride:	(Cl-)	15000

=====

GASES:

Carbon Dioxide:	(CO2)	*****
Oxygen:	(O2)	*****
Hydrogen Sulfide:	(H2S)	*****

=====

SCALE INDEX (Positive Value Indicates Scale Tendency) \* indicates tests were not run.

Temperature	CaCO3 SI	CaSO4 SI
86F 30.0C	-.09	-29.65
104F 40.0C	.16	-29.91
122F 50.0C	.41	-30.17
140F 60.0C	.69	-29.65
168F 70.0C	1.02	-28.61
176F 80.0C	1.36	-27.01

If you have any questions or require further information, please contact us.

Sincerely,

  
Laboratory Technician

cc:

bc: Joe Hay  
John Offutt

UNICHEM INTERNATIONAL  
P.O. BOX 1499                      707 NORTH LEECH STREET  
HOBBS, NEW MEXICO 88240

Zia Energy, Inc.  
Box 2219  
Hobbs, NM 88240

Report Date: April 22, 1991  
Lab In Date: April 11, 1991  
Sample Date: April 11, 1991

Dear Brian Nelson

Listed below please find our water analysis report from Simmons, #1 CDH (Tubb & Drk):

Specific Gravity: 1.039  
Total Dissolved Solids: 54383  
PH: 6.60  
Ionic Strength: 1.110

CATIONS:

		mg/liter
Calcium:	(Ca++)	3680
Magnesium:	(Mg++)	1409
Sodium:	(Na+)	15037
Iron (Total)	(Fe++)	363.00
Barium	(Ba++)	.90
Manganese:	(Mn++)	0.00
Resistivity:		

ANIONS:

Bicarbonate:	(HCO3-)	659
Carbonate:	(CO3--)	0
Hydroxide:	(OH-)	0
Sulfate:	(SO4--)	598
Chloride:	(Cl-)	33000

GASES:

Carbon Dioxide:	(CO2)	*****
Oxygen:	(O2)	*****
Hydrogen Sulfide:	(H2S)	*****

SCALE INDEX (Positive Value Indicates Scale Tendency) \* indicates tests were not run.

Temperature		CaCO3 SI	CaSO4 SI
86F	30.0C	.27	-24.89
104F	40.0C	.48	-24.73
122F	50.0C	.74	-24.40
140F	60.0C	1.09	-23.91
168F	70.0C	1.43	-23.25
176F	80.0C	1.78	-21.76

If you have any questions or require further information, please contact us.

Sincerely,

  
Sharon Wright  
Laboratory Technician

cc:

bc: Joe Hay  
John Offutt

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.

Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional servicet(s) requested.

1.  Show to whom delivered, date, and addressee's address. (Extra charge)      2.  Restricted Delivery (Extra charge)

3. Article Addressed to: <b>B. E. C. Corporation</b> <b>P. O. Box 1392</b> <b>Midland, TX 79702</b>		4. Article Number
		Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
		Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>
5. Signature - Addressee X		8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X <i>Craig Darrough</i>		
7. Date of Delivery <b>APR 19 1991</b>		

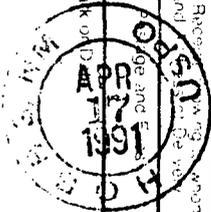
PS Form 3811, Apr. 1989

+U.S.G.P.O. 1989-239-815

**DOMESTIC RETURN RECEIPT**

PS Form 3800, June 1985

Sent to <b>B. E. C. Corporation</b>
Street and No. <b>P. O. Box 1392</b>
P. O. State and ZIP Code <b>Midland, TX 79702</b>
Postage \$
Certified Fee
Special Delivery Fee
Restricted Delivery Fee
Return Receipt showing to whom and Date Delivered
Return Receipt showing from whom, Date and Date Delivered
TOTAL <i>2.29</i>
Postmark or D.D.



P 175 163 202

**RECEIPT FOR CERTIFIED MAIL**  
NO INSURANCE COVERAGE PROVIDED  
NOT FOR INTERNATIONAL MAIL  
(See Reverse)

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address.    2.  Restricted Delivery (Extra charge)

3. Article Addressed to:  Chevron USA, Inc.  P. O. Box 688  Eunice, NM 88231	4. Article Number <b>P 175 163 200</b>
	Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise
Always obtain signature of addressee or agent and <b>DATE DELIVERED.</b>	
5. Signature - Addressee <b>X</b>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent <b>X</b> <i>Robert Haas</i>	
7. Date of Delivery <b>4-18-91</b>	

PS Form 3811, Apr. 1989                      \* U.S.G.P.O. 1989-238-815                      DOMESTIC RETURN RECEIPT

PS Form 3800, June 1985

**P 175 163 200**

**RECEIPT FOR CERTIFIED MAIL**  
 NO INSURANCE COVERAGE PROVIDED  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

Sent to: <b>Chevron USA, Inc.</b>
Street and No. <b>P. O. Box 688</b>
P. O. State and Zip Code <b>Eunice, NM 88231</b>
Postage <b>\$</b>
Certified Fee
Special Delivery Fee
Restricted Delivery Fee
Return Receipt showing to whom and Date Delivered
Return Receipt showing to whom, Date, and Addressee's Address
TOTAL Postage and Fees <b>0.20</b>
Postmark or Date Delivered <b>APR 18 1991</b>

Articles in excess of 10 lbs. require a Certificate of Mailability

**SENDER:** Complete items 1 and 2 when additional services are desired, and complete items 3 and 4.  
 Put your address in the "RETURN TO" Space on the reverse side. Failure to do this will prevent this card from being returned to you. The return receipt fee will provide you the name of the person delivered to and the date of delivery. For additional fees the following services are available. Consult postmaster for fees and check box(es) for additional service(s) requested.

1.  Show to whom delivered, date, and addressee's address.      2.  Restricted Delivery (Extra charge)

3. Article Addressed to: <b>Mr. William B. Yarborough</b> <b>200 Loraine-Suite 1400</b> <b>Midland, TX 79701</b>	4. Article Number <b>P 175 163 199</b>
Type of Service: <input type="checkbox"/> Registered <input type="checkbox"/> Insured <input checked="" type="checkbox"/> Certified <input type="checkbox"/> COD <input type="checkbox"/> Express Mail <input type="checkbox"/> Return Receipt for Merchandise	
Always obtain signature of addressee or agent and <u>DATE DELIVERED</u> .	
5. Signature - Addressee X <i>[Signature]</i>	8. Addressee's Address (ONLY if requested and fee paid)
6. Signature - Agent X	
7. Date of Delivery <b>4/18/91</b>	

PS Form 3811, Apr. 1989      \*U.S.G.P.O. 1989-238-816      **DOMESTIC RETURN RECEIPT**

PS Form 3800, June 1985

**P 175 163 199**

**RECEIPT FOR CERTIFIED MAIL**  
 NO INSURANCE COVERAGE PROVIDED  
 NOT FOR INTERNATIONAL MAIL  
 (See Reverse)

Sent to <b>Mr. William B. Yarborough</b>
Street and No. <b>200 Loraine-Suite 1400</b>
P.O. State and ZIP Code <b>Midland, TX 79701</b>
Postage 5
Certified Fee
Special Delivery Fee
Restricted Delivery Fee
Return Receipt showing to whom and Date Delivered
Return Receipt showing to whom, Date, and Address of Delivery
TOTAL POSTAGE and FEES 5.00
Postmaster's Date and Time APR 18 1991



STATE OF NEW MEXICO

ENERGY, MINERALS AND NATURAL RESOURCES DEPARTMENT

RECEIVED

OIL CONSERVATION DIVISION  
HOBBS DISTRICT OFFICE

'91 APR 29 AM 10 24

4-24-91

BRUCE KING  
GOVERNOR

POST OFFICE BOX 1980  
HOBBS, NEW MEXICO 88241-1980  
(505) 393-6161

OIL CONSERVATION DIVISION  
P. O. BOX 2088  
SANTA FE, NEW MEXICO 87501

RE: Proposed:

- MC \_\_\_\_\_
- DHC  \_\_\_\_\_
- NSL \_\_\_\_\_
- NSP \_\_\_\_\_
- SWD \_\_\_\_\_
- WFX \_\_\_\_\_
- PMX \_\_\_\_\_

Gentlemen:

I have examined the application for the:

<i>Zia Energy Inc.</i>	<i>Simmons</i>	<i>#1-G</i>	<i>5-22-37</i>
Operator	Lease & Well No.	Unit	S-T-R

and my recommendations are as follows:

*OK*

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Yours very truly,

Jerry Sexton  
Supervisor, District 1

/ed

P.S. David - this is well that shows No production from Blinbery + instead of showing 0% allocation to that zone in the order could we just make mention that Blinbery zone is open but non productive + will need to be properly plugged when well is abandoned.

*FR 14 1*